

**ASSEMBLY BILL**

**No. 1350**

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**Introduced by Assembly Member Roger Hernández**

February 22, 2013

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An act to amend Section 370 of the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

AB 1350, as introduced, Roger Hernández. Electricity: direct transactions.

The Public Utilities Act requires the Public Utilities Commission, pursuant to electrical restructuring, to authorize and facilitate direct transactions between electricity suppliers and retail end-use customers. However, other provisions of the act suspend the right of retail end-use customers, other than community choice aggregators, as defined, to acquire service from certain electricity suppliers, after a period of time to be determined by the PUC, until the Department of Water Resources no longer supplies electricity under that law. The act requires the PUC to require a consumer, as a prerequisite for the consumer to engage in direct transactions, to have the obligation to pay specified uneconomic costs of an electrical corporation subject to specified conditions. The act provides that to the extent the consumer does not use the electrical corporation's facilities for direct transactions, the obligation to pay is required to be confirmed in writing. A violation of the act is a crime.

This bill would require, until January 1, 2016, the electricity marketer engaged in the direct transaction with the consumer to inform the consumer that the consumer's obligation to pay those costs is to be confirmed in writing. Because a violation of this requirement is a crime, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 370 of the Public Utilities Code is  
2 amended to read:

3 370. The commission shall require, as a prerequisite for ~~any~~ a  
4 consumer in California to engage in direct transactions permitted  
5 in Section 365, that beginning with the commencement of these  
6 direct transactions, the consumer shall have an obligation to pay  
7 the costs provided in Sections 367, 368, 375, and 376, and subject  
8 to the conditions in Sections 371 to 374, inclusive, directly to the  
9 electrical corporation providing electricity service in the area in  
10 which the consumer is located. This obligation shall be set forth  
11 in the applicable rate schedule, contract, or tariff option under  
12 which the customer is receiving service from the electrical  
13 corporation. To the extent the consumer does not use the electrical  
14 corporation's facilities for direct transaction, the obligation to pay  
15 shall be confirmed in writing, and the customer shall be advised  
16 by any electricity marketer engaged in the transaction of the  
17 requirement that the customer execute a confirmation. The  
18 requirement for marketers to inform customers of the written  
19 requirement shall cease on January 1, ~~2002~~ 2016.

20 SEC. 2. No reimbursement is required by this act pursuant to  
21 Section 6 of Article XIII B of the California Constitution because  
22 the only costs that may be incurred by a local agency or school  
23 district will be incurred because this act creates a new crime or  
24 infraction, eliminates a crime or infraction, or changes the penalty  
25 for a crime or infraction, within the meaning of Section 17556 of  
26 the Government Code, or changes the definition of a crime within  
27 the meaning of Section 6 of Article XIII B of the California  
28 Constitution.

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